

Adopted	Rejected
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COMMITTEE REPORT

YES:	24
NO:	0

MR. SPEAKER:

Your Committee on Ways and Means, to which was referred Senate Bill 257, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:

- 1 Page 1, between the enacting clause and line 1, begin a new
- 2 paragraph and insert:
- 3 "SECTION 1. IC 6-1.1-19-13 IS ADDED TO THE INDIANA
- 4 CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
- 5 UPON PASSAGE]: **Sec. 13. (a) This section applies to a levy for a**
- 6 **fund other than a school corporation's general fund.**
- 7 **(b) A school corporation may appeal to the department of local**
- 8 **government finance under this chapter for the purpose of making**
- 9 **up a shortfall that has resulted:**
- 10 **(1) whenever:**
- 11 **(A) erroneous assessed valuation figures were provided to**
- 12 **the school corporation;**
- 13 **(B) erroneous figures were used to determine the school**
- 14 **corporation's total property tax rate; and**

- 1 (C) the school corporation's levy for the fund was reduced
2 under IC 6-1.1-17-16(d);
3 (2) because of the payment of refunds that resulted from
4 appeals under this article and IC 6-1.5; or
5 (3) because of a delinquent taxpayer.
- 6 (c) With respect to each appeal petition:
- 7 (1) that is delivered to the tax control board by the
8 department of local government finance under section 4.1 of
9 this chapter;
10 (2) that includes a request under this section to make up a
11 shortfall; and
12 (3) for which the tax control board finds that the sum of:
- 13 (A) the balance in the school corporation's levy excess
14 fund that is available to replace the lost revenue to a fund
15 due to a shortfall; and
16 (B) the property taxes collected for the school corporation;
17 is less than ninety-nine percent (99%) of the school
18 corporation's property tax levy for the fund in that year, as
19 finally approved by the department of local government
20 finance;
- 21 the tax control board may recommend to the department of local
22 government finance that the school corporation take the action
23 described in subsection (d) and shall recommend to the
24 department of local government finance that the school
25 corporation take the action described in subsection (e).
- 26 (d) The tax control board may recommend that the school
27 corporation be given financial relief from the state, on terms to be
28 specified by the tax control board in the board's recommendation,
29 in the form of:
- 30 (1) a grant or grants from any funds of the state that are
31 available for such a purpose;
32 (2) a loan or loans from any funds of the state that are
33 available for such a purpose;
34 (3) permission to the appellant school corporation to borrow
35 funds from a source other than the state or to receive

1 assistance in obtaining the loan; or

2 (4) an advance or advances of funds that will become payable
3 to the appellant school corporation under any law providing
4 for the payment of state funds to school corporations.

5 (e) The tax control board shall recommend that the school
6 corporation be permitted to collect an additional levy for the
7 affected fund for a specified calendar year in the amount of the
8 difference between:

9 (1) the school corporation's property tax levy for a particular
10 year, as finally approved by the department of local
11 government finance; and

12 (2) the school corporation's actual property tax collections,
13 plus any balance in the school corporation's levy excess fund
14 that is available to replace the lost revenue in the fund.

15 (f) Each recommendation made by the tax control board under
16 this section shall specify the amount of the additional levy. The
17 department of local government finance shall authorize the school
18 corporation to make the additional levy in accordance with the
19 recommendation without any other proceeding. Whenever the
20 department of local government finance authorizes an additional
21 levy under this subsection, the department shall take appropriate
22 steps to ensure that the proceeds of the excessive tax levy are
23 first used to repay any loan or advance authorized after a
24 recommendation under subsection (d).

25 (g) The:

26 (1) ad valorem property tax rate limits; and

27 (2) ad valorem property tax levy limits;

28 imposed by any other law on a fund do not apply to an additional
29 ad valorem property tax levy authorized under this section.

30 (h) For purposes of computing the ad valorem property tax levy
31 limit imposed on a fund under any other law, the school
32 corporation's ad valorem property tax levy for a particular year
33 does not include that part of the levy for the fund that is
34 attributable to an additional ad valorem property tax levy
35 authorized under this section.

1 SECTION 2. IC 6-1.1-21-2, AS AMENDED BY P.L.1-2004,
2 SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 2. As used in this chapter:

4 (a) "Taxpayer" means a person who is liable for taxes on property
5 assessed under this article.

6 (b) "Taxes" means property taxes payable in respect to property
7 assessed under this article. The term does not include special
8 assessments, penalties, or interest, but does include any special charges
9 which a county treasurer combines with all other taxes in the
10 preparation and delivery of the tax statements required under
11 IC 6-1.1-22-8(a).

12 (c) "Department" means the department of state revenue.

13 (d) "Auditor's abstract" means the annual report prepared by each
14 county auditor which, under IC 6-1.1-22-5, is to be filed on or before
15 March 1 of each year with the auditor of state.

16 (e) "Mobile home assessments" means the assessments of mobile
17 homes made under IC 6-1.1-7.

18 (f) "Postabstract adjustments" means adjustments in taxes made
19 subsequent to the filing of an auditor's abstract which change
20 assessments therein or add assessments of omitted property affecting
21 taxes for such assessment year.

22 (g) "Total county tax levy" means the sum of:

23 (1) the remainder of:

24 (A) the aggregate levy of all taxes for all taxing units in a
25 county which are to be paid in the county for a stated
26 assessment year as reflected by the auditor's abstract for the
27 assessment year, adjusted, however, for any postabstract
28 adjustments which change the amount of the aggregate levy;
29 minus

30 (B) the sum of any increases in property tax levies of taxing
31 units of the county that result from appeals described in:

32 (i) IC 6-1.1-18.5-13(4) and IC 6-1.1-18.5-13(5) filed after
33 December 31, 1982; plus

34 (ii) the sum of any increases in property tax levies of taxing
35 units of the county that result from any other appeals
36 described in IC 6-1.1-18.5-13 filed after December 31, 1983;
37 plus

- 1 (iii) IC 6-1.1-18.6-3 (children in need of services and
- 2 delinquent children who are wards of the county); minus
- 3 (C) the total amount of property taxes imposed for the stated
- 4 assessment year by the taxing units of the county under the
- 5 authority of IC 12-1-11.5 (repealed), IC 12-2-4.5 (repealed),
- 6 IC 12-19-5, or IC 12-20-24; minus
- 7 (D) the total amount of property taxes to be paid during the
- 8 stated assessment year that will be used to pay for interest or
- 9 principal due on debt that:
- 10 (i) is entered into after December 31, 1983;
- 11 (ii) is not debt that is issued under IC 5-1-5 to refund debt
- 12 incurred before January 1, 1984; and
- 13 (iii) does not constitute debt entered into for the purpose of
- 14 building, repairing, or altering school buildings for which the
- 15 requirements of IC 20-5-52 were satisfied prior to January
- 16 1, 1984; minus
- 17 (E) the amount of property taxes imposed in the county for the
- 18 stated assessment year under the authority of IC 21-2-6
- 19 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a
- 20 cumulative building fund whose property tax rate was initially
- 21 established or reestablished for a stated assessment year that
- 22 succeeds the 1983 stated assessment year; minus
- 23 (F) the remainder of:
- 24 (i) the total property taxes imposed in the county for the
- 25 stated assessment year under authority of IC 21-2-6
- 26 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a
- 27 cumulative building fund whose property tax rate was not
- 28 initially established or reestablished for a stated assessment
- 29 year that succeeds the 1983 stated assessment year; minus
- 30 (ii) the total property taxes imposed in the county for the
- 31 1984 stated assessment year under the authority of
- 32 IC 21-2-6 (repealed) or any citation listed in
- 33 IC 6-1.1-18.5-9.8 for a cumulative building fund whose
- 34 property tax rate was not initially established or reestablished
- 35 for a stated assessment year that succeeds the 1983 stated
- 36 assessment year; minus
- 37 (G) the amount of property taxes imposed in the county for the

- 1 stated assessment year under:
- 2 (i) IC 21-2-15 for a capital projects fund; plus
- 3 (ii) IC 6-1.1-19-10 for a racial balance fund; plus
- 4 (iii) IC 20-14-13 for a library capital projects fund; plus
- 5 (iv) IC 20-5-17.5-3 for an art association fund; plus
- 6 (v) IC 21-2-17 for a special education preschool fund; plus
- 7 (vi) IC 21-2-11.6 for a referendum tax levy fund; plus
- 8 (vii) an appeal filed under IC 6-1.1-19-5.1 for an increase in
- 9 a school corporation's maximum permissible general fund
- 10 levy for certain transfer tuition costs; ~~plus~~
- 11 (viii) an appeal filed under IC 6-1.1-19-5.4 for an increase in
- 12 a school corporation's maximum permissible general fund
- 13 levy for transportation operating costs; **plus**
- 14 **(ix) an appeal filed under IC 6-1.1-19-13 for the purpose**
- 15 **of making up a shortfall; plus**
- 16 **(x) IC 21-2-11.5-3(b)(2) for a school transportation fund,**
- 17 **including any increase in that amount in a subsequent**
- 18 **year attributable to the annual application of the**
- 19 **assessed value growth determined under**
- 20 **IC 21-2-11.5-3(c) to the amount; minus**
- 21 (H) the amount of property taxes imposed by a school
- 22 corporation that is attributable to the passage, after 1983, of a
- 23 referendum for an excessive tax levy under IC 6-1.1-19,
- 24 including any increases in these property taxes that are
- 25 attributable to the adjustment set forth in IC 6-1.1-19-1.5 or
- 26 any other law; minus
- 27 (I) for each township in the county, the lesser of:
- 28 (i) the sum of the amount determined in IC 6-1.1-18.5-19(a)
- 29 STEP THREE or IC 6-1.1-18.5-19(b) STEP THREE,
- 30 whichever is applicable, plus the part, if any, of the
- 31 township's ad valorem property tax levy for calendar year
- 32 1989 that represents increases in that levy that resulted from
- 33 an appeal described in IC 6-1.1-18.5-13(4) filed after
- 34 December 31, 1982; or
- 35 (ii) the amount of property taxes imposed in the township for
- 36 the stated assessment year under the authority of
- 37 IC 36-8-13-4; minus

- 1 (J) for each participating unit in a fire protection territory
- 2 established under IC 36-8-19-1, the amount of property taxes
- 3 levied by each participating unit under IC 36-8-19-8 and
- 4 IC 36-8-19-8.5 less the maximum levy limit for each of the
- 5 participating units that would have otherwise been available for
- 6 fire protection services under IC 6-1.1-18.5-3 and
- 7 IC 6-1.1-18.5-19 for that same year; minus
- 8 (K) for each county, the sum of:
 - 9 (i) the amount of property taxes imposed in the county for
 - 10 the repayment of loans under IC 12-19-5-6 (repealed) that is
 - 11 included in the amount determined under IC 12-19-7-4(a)
 - 12 STEP SEVEN for property taxes payable in 1995, or for
 - 13 property taxes payable in each year after 1995, the amount
 - 14 determined under IC 12-19-7-4(b); and
 - 15 (ii) the amount of property taxes imposed in the county
 - 16 attributable to appeals granted under IC 6-1.1-18.6-3 that is
 - 17 included in the amount determined under IC 12-19-7-4(a)
 - 18 STEP SEVEN for property taxes payable in 1995, or the
 - 19 amount determined under IC 12-19-7-4(b) for property taxes
 - 20 payable in each year after 1995; plus
 - 21 (2) all taxes to be paid in the county in respect to mobile home
 - 22 assessments currently assessed for the year in which the taxes
 - 23 stated in the abstract are to be paid; plus
 - 24 (3) the amounts, if any, of county adjusted gross income taxes
 - 25 that were applied by the taxing units in the county as property tax
 - 26 replacement credits to reduce the individual levies of the taxing
 - 27 units for the assessment year, as provided in IC 6-3.5-1.1; plus
 - 28 (4) the amounts, if any, by which the maximum permissible ad
 - 29 valorem property tax levies of the taxing units of the county were
 - 30 reduced under IC 6-1.1-18.5-3(b) STEP EIGHT for the stated
 - 31 assessment year; plus
 - 32 (5) the difference between:
 - 33 (A) the amount determined in IC 6-1.1-18.5-3(e) STEP FOUR;
 - 34 minus
 - 35 (B) the amount the civil taxing units' levies were increased
 - 36 because of the reduction in the civil taxing units' base year
 - 37 certified shares under IC 6-1.1-18.5-3(e).

1 (h) "December settlement sheet" means the certificate of settlement
2 filed by the county auditor with the auditor of state, as required under
3 IC 6-1.1-27-3.

4 (i) "Tax duplicate" means the roll of property taxes which each
5 county auditor is required to prepare on or before March 1 of each year
6 under IC 6-1.1-22-3.

7 (j) "Eligible property tax replacement amount" is equal to the sum of
8 the following:

9 (1) Sixty percent (60%) of the total county tax levy imposed by
10 each school corporation in a county for its general fund for a
11 stated assessment year.

12 (2) Twenty percent (20%) of the total county tax levy (less sixty
13 percent (60%) of the levy for the general fund of a school
14 corporation that is part of the total county tax levy) imposed in a
15 county on real property for a stated assessment year.

16 (3) Twenty percent (20%) of the total county tax levy (less sixty
17 percent (60%) of the levy for the general fund of a school
18 corporation that is part of the total county tax levy) imposed in a
19 county on tangible personal property, excluding business personal
20 property, for an assessment year.

21 (k) "Business personal property" means tangible personal property
22 (other than real property) that is being:

23 (1) held for sale in the ordinary course of a trade or business; or
24 (2) held, used, or consumed in connection with the production of
25 income.

26 (l) "Taxpayer's property tax replacement credit amount" means the
27 sum of the following:

28 (1) Sixty percent (60%) of a taxpayer's tax liability in a calendar
29 year for taxes imposed by a school corporation for its general
30 fund for a stated assessment year.

31 (2) Twenty percent (20%) of a taxpayer's tax liability for a stated
32 assessment year for a total county tax levy (less sixty percent
33 (60%) of the levy for the general fund of a school corporation that
34 is part of the total county tax levy) on real property.

35 (3) Twenty percent (20%) of a taxpayer's tax liability for a stated
36 assessment year for a total county tax levy (less sixty percent
37 (60%) of the levy for the general fund of a school corporation that

is part of the total county tax levy) on tangible personal property other than business personal property.

(m) "Tax liability" means tax liability as described in section 5 of this chapter.

(n) "General school operating levy" means the ad valorem property tax levy of a school corporation in a county for the school corporation's general fund.

SECTION 3. IC 20-3-11-22, AS AMENDED BY P.L.2-2002, SECTION 70, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 22. (a) The board of school commissioners may not create any debt in excess of twenty-five thousand dollars (\$25,000) in the aggregate, except as otherwise provided in this chapter, and except further debts as are on or after March 9, 1931, authorized by the general school laws of Indiana, including within the latter exception, but not by way of limitation, ~~IC 21-4-20~~ and IC 20-5-1 through IC 20-5-6.

(b) Notwithstanding the provisions of subsection (a), the board is liable upon its lawful contracts with persons rendering services and furnishing materials incident to the ordinary current operations of its schools if the contracts have been entered into as provided in this chapter and in accordance with law. The obligations of the board to persons rendering services or furnishing materials may not be considered to be limited or prohibited by any of the provisions of this chapter.

(c) If the compensation to be paid for the purchase of any real estate or interest in real estate required by the board for its purposes cannot be agreed upon or determined by the board and the persons owning or having an interest in the land desired for its purposes or sites, the board of school commissioners has the power of eminent domain and shall proceed to have the compensation determined and to acquire the title to the real estate or interest in the real estate by action in court under IC 32-24. The right and power of the board to own and acquire real estate and interests in real estate in any of the manners and for any of the purposes specified in this chapter or by the general school laws of this state may not be limited to real estate situated within the corporate boundaries of the civil city in which any school city is located. However, the right and power to acquire and own real estate extends to

any parcel or trace of real estate the whole of which is situated:

(1) within one-half (1/2) mile of the nearest point on the corporate boundary of the civil city; or

(2) within, or within one-half (1/2) mile of the nearest point on the boundary of, any platted territory lying outside but contiguous to, or contiguous to another platted territory that is contiguous to, the corporate boundary of the civil city.

(d) "Platted territory", as used in subsection (c), means any territory or land area of which a plat has been recorded in the manner provided by the laws of Indiana pertaining to the recording of plats of land.

(e) Before acquiring any real estate or interest in real estate outside the corporate limits of the civil city, the board must, by resolution made a matter of record in its corporate minutes, find and determine that, in the judgment of the board, the real estate or interest in real estate to be acquired will be needed for the future purposes of the board. This chapter does not limit the right of any board to accept, own, and hold real estate or interest in real estate, wherever situated, that is acquired by the board by gift or devise.

SECTION 4. IC 20-5-1-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. As used in IC 20-5-1 through IC 20-5-6, the following terms shall have the following meanings:

(a) "School corporation": ~~shall mean~~

(1) for purposes of a provision other than IC 20-5-4-8, means any local public school corporation established under the laws of the state of Indiana, including but not limited to school cities, school towns, metropolitan school districts, consolidated school corporations, county school corporations, community school corporations, and united school corporations, excluding, however, school townships; **and**

(2) for purposes of IC 20-5-4-8, means a local public school corporation described in subdivision (1) or a school township.

(b) "Governing body" shall mean the board of commissioners charged by law with the responsibility of administering the affairs of a school corporation, including but not limited to a board of school commissioners, metropolitan board of education, board of school trustees, or board of trustees, and "member" shall mean a member of such governing body.

(c) "School purposes" shall mean the general purposes and powers provided in IC 20-5-2-1.2 and IC 20-5-2-2. However, the delineation of a specific power in IC 20-5-2-2 shall not be construed as a limitation on the general powers and purposes set out in IC 20-5-2-1.2.

SECTION 5. IC 20-5-4-1.7, AS AMENDED BY P.L.10-2003, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 1.7. (a) For purposes of this section, "retirement or severance liability" means the payments anticipated to be required to be made to employees of a school corporation upon or after the termination of their employment by the school corporation under an existing or previous employment agreement.

(b) In addition to the purposes set forth in section 1 of this chapter, a school corporation may issue bonds to implement solutions to contractual retirement or severance liability. The issuance of bonds for this purpose is subject to the following limitations:

(1) **Except as provided in subsection (g)**, a school corporation may issue bonds for the purpose described in this section only one (1) time.

(2) The solution to which the bonds are contributing must be reasonably expected to reduce the school corporation's existing unfunded contractual liability for retirement or severance payments, as of June 30, 2001.

(3) **Subject to subsection (g)**, the amount of the bonds that may be issued for the purpose described in this section may not exceed two percent (2%) of the true tax value of property in the school corporation.

(4) Each year that a debt service levy is needed under this section, the school corporation shall reduce its total property tax levy for the school corporation's transportation, school bus replacement, capital projects, or art association and historical society funds in an amount equal to the property tax levy needed for the debt service under this section. The property tax rate for each of these funds shall be reduced each year until the bonds are retired.

(5) A school corporation that issues bonds under this section shall establish a separate debt service fund for repayment of the bonds.

(c) Bonds issued for the purpose described in this section shall be issued in the same manner as other bonds of the school corporation.

(d) Bonds issued under this section ~~must be~~ **are valid if either of the following apply:**

(1) The bonds are issued before December 31, 2004.

(2) The school corporation submits to the department of local government finance before January 1, 2005, a proposal concerning the issuance of bonds under this section to implement solutions for the school corporation's retirement or severance liability, and the school corporation issues the bonds before January 1, 2006.

(e) Bonds issued under this section are not subject to the petition and remonstrance process under IC 6-1.1-20.

(f) Bonds issued under this section are not subject to the limitations contained in IC 36-1-15.

(g) A school corporation may issue bonds under this subsection after December 31, 2005, for the purpose described in this section one (1) time in addition to the issuance of bonds under subsection (b) if:

(1) the school corporation issued bonds under subsection (b) before April 14, 2003; and

(2) the bonds referred to in subdivision (1) are retired before the issuance of bonds under this subsection.

The average annual debt service on bonds issued under this subsection may not exceed the average annual debt service on the bonds referred to in subdivision (1). Except as provided in this subsection, bonds issued under this subsection are subject to the limitations in subsection (b).

SECTION 6. IC 20-5-4-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) Whenever the governing board of a school corporation finds and declares that an emergency exists for the borrowing of money with which to pay current expenses from a particular fund before the receipt of revenues from taxes levied or state tuition support distributions for such fund, the governing board may issue warrants in anticipation of the receipt of said revenues.

(b) The principal of these warrants shall be payable solely from the fund for which the taxes are levied or from the general fund in the case of anticipated state tuition support distributions. However, the interest

on these warrants may be paid from the debt service fund, from the fund for which the taxes are levied, or the general fund in the case of anticipated state tuition support distributions.

(c) The amount of principal of temporary loans maturing on or before June 30 for any fund shall not exceed **the sum of:**

(1) eighty percent (80%) of the amount of taxes (determined without consideration of the amount of taxes referred to in subdivision (2)) and state tuition support distributions estimated to be collected or received for and distributed to the fund at the June settlement; plus

(2) one hundred percent (100%) of the amount of taxes that are:

(A) imposed as the result of emergency relief authorized by the department of local government finance under IC 6-1.1-19-4.7; and

(B) estimated to be collected or received for and distributed to the fund at the June settlement.

(d) The amount of principal of temporary loans maturing after June 30, and on or before December 31, shall not exceed **the sum of:**

(1) eighty percent (80%) of the amount of taxes (determined without consideration of the amount of taxes referred to in subdivision (2)) and state tuition support distributions estimated to be collected or received for and distributed to the fund at the December settlement; plus

(2) one hundred percent (100%) of the amount of taxes that are:

(A) imposed as the result of emergency relief authorized by the department of local government finance under IC 6-1.1-19-4.7; and

(B) estimated to be collected or received for and distributed to the fund at the December settlement.

(e) At each settlement, the amount of taxes and state tuition support distributions estimated to be collected or received for and distributed to the fund includes any allocations to the fund from the property tax replacement fund.

(f) The estimated amount of taxes and state tuition support

distributions to be collected or received and distributed shall be made by the county auditor or the auditor's deputy. **Except as provided in subsection (i),** the warrants evidencing any loan in anticipation of tax revenue or state tuition support distributions shall not be delivered to the purchaser of the warrant nor payment made on the warrant before January 1 of the year the loan is to be repaid. However, the proceedings necessary to the loan may be held and carried out before January 1 and before the approval. The loan may be made even though a part of the last preceding June or December settlement has not yet been received.

(g) Proceedings for the issuance and sale of warrants for more than one (1) fund may be combined, but separate warrants for each fund shall be issued and each warrant shall state on its face the fund from which its principal is payable. No action to contest the validity of such warrants shall be brought later than fifteen (15) days from the first publication of notice of sale.

(h) No issue of tax or state tuition support anticipation warrants shall be made if the aggregate of all these warrants exceed twenty thousand dollars (\$20,000) until the issuance is advertised for sale, bids received, and an award made by the governing board as required for the sale of bonds, except that the sale notice need not be published outside of the county nor more than ten (10) days before the date of sale.

(i) A warrant evidencing any loan in anticipation of tax revenue referred to in subsections (c)(2) and (d)(2) may be issued and delivered to the purchaser of the warrant at any time after the emergency financial relief is authorized by the department of local government finance as described in those subsections."

Page 3, between lines 20 and 21, begin a new paragraph and insert:

"SECTION 8. IC 21-2-11-4, AS AMENDED BY P.L.224-2003, SECTION 145, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) Any lawful school expenses payable from any other fund of the school corporation, including without limitation debt service and capital outlay, but excluding costs attributable to transportation (as defined in IC 21-2-11.5-2), may be budgeted in and paid from the general fund. However, after June 30, 2003, and before July 1, 2005, a school corporation may budget for and pay costs attributable to transportation (as defined in IC 21-2-11.5-2) from the general fund.

(b) In addition, remuneration for athletic coaches (whether or not they are otherwise employed by the school corporation and whether or not they are licensed under IC 20-6.1-3) may be budgeted in and paid from the school corporation's general fund.

(c) During the period beginning July 1, 2003, and ending June 30, 2005, **the** school corporation may transfer money in a fund maintained by the school corporation (other than the special education preschool fund (IC 21-2-17-1) or the school bus replacement fund (IC 21-2-11.5-2)) that is obtained from:

(1) a source other than a state distribution or local property taxation; or

(2) a state distribution or a property tax levy that is required to be deposited in the fund;

to any other fund. A transfer under subdivision (2) may not be the sole basis for reducing the property tax levy for the fund from which the money is transferred or the fund to which money is transferred. Money transferred under this subsection may be used only to pay costs, including debt service, attributable to reductions in funding for transportation distributions under IC 21-3-3.1, including reimbursements associated with transportation costs for special education and vocational programs under IC 21-3-3.1-4, and ADA flat grants under IC 21-3-4.5. The property tax levy for a fund from which money was transferred may not be increased to replace the money transferred to another fund.

(d) The total amount transferred under subsection (c) may not exceed the following:

(1) For the period beginning July 1, 2003, and ending June 30, 2004, the total amount of state funding received for transportation distributions under IC 21-3-3.1, including reimbursements associated with transportation costs for special education and vocational programs under IC 21-3-3.1-4, and ADA flat grants under IC 21-3-4.5 for the same period.

(2) For the period beginning July 1, 2004, and ending June 30, 2005, the product of:

(A) the amount determined under subdivision (1) **(reduced by any amount levied under IC 21-2-11.5-3(b)(2))**; multiplied by

1 (B) two (2).

2 SECTION 9. IC 21-2-11.5-3, AS AMENDED BY P.L.1-2004,
3 SECTION 59, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 UPON PASSAGE]: Sec. 3. (a) Subject to subsection (b), each school
5 corporation may levy for the calendar year a property tax for the school
6 transportation fund sufficient to pay all operating costs attributable to
7 transportation that:

8 (1) are not paid from other revenues available to the fund as
9 specified in section 4 of this chapter; and

10 (2) are listed in section 2(a)(1) through 2(a)(7) of this chapter.

11 (b) For each year after 2003, the levy for the fund may not exceed:

12 **(1) the amount determined by multiplying:**

13 **(A) the school corporation's levy for the school**
14 **transportation fund** for the previous year, as that levy was
15 determined by the department of local government finance in
16 fixing the ~~civil taxing unit's~~ **school corporation's** budget, levy,
17 and rate for that preceding calendar year under IC 6-1.1-17
18 and after eliminating the effects of temporary excessive levy
19 appeals and any other temporary adjustments made to the levy
20 for the calendar year; ~~multiplied by~~

21 **(B) the assessed value growth quotient determined under**
22 **subsection (c) STEP FOUR; plus**

23 **(2) the amount determined under subsection (d).**

24 **(c) For purposes of subsection (b), the assessed value growth**
25 **quotient is the amount determined under STEP FOUR** of the
26 following formula:

27 STEP ONE: For each of the six (6) calendar years immediately
28 preceding the year in which a budget is adopted under
29 IC 6-1.1-17-5 or IC 6-1.1-17-5.6 for part or all of the ensuing
30 calendar year, divide the Indiana nonfarm personal income for the
31 calendar year by the Indiana nonfarm personal income for the
32 calendar year immediately preceding that calendar year, rounding
33 to the nearest one-thousandth (0.001).

34 STEP TWO: Determine the sum of the STEP ONE results.

35 STEP THREE: Divide the STEP TWO result by six (6), rounding
36 to the nearest one-thousandth (0.001).

37 STEP FOUR: Determine the lesser of the following:

1 (A) The STEP THREE quotient.

2 (B) One and six-hundredths (1.06).

3 If the amount levied in a particular year exceeds the amount necessary
4 to cover the costs payable from the fund, the levy in the following year
5 shall be reduced by the amount of surplus money.

6 **(d) A school corporation may increase its school transportation**
7 **fund levy for the ensuing year above the amount determined**
8 **under subsection (b)(1) by the amount determined under STEP**
9 **TWO of the following formula:**

10 **STEP ONE: Determine the total amount of state funding**
11 **received by the school corporation for transportation costs:**

12 **(A) under IC 21-3-3.1-1 through IC 21-3-3.1-3; and**

13 **(B) for special education and vocational programs under**
14 **IC 21-3-3.1-4;**

15 **after June 30, 2003, and before July 1, 2004, multiplied by**
16 **two (2).**

17 **STEP TWO: Decrease the STEP ONE amount by the amount**
18 **by which the school corporation used any part of the STEP**
19 **ONE amount to increase its school transportation fund levy**
20 **under subsection (b)(2) in any previous year.**

21 ~~(c)~~ **(e)** Each school corporation may levy for the calendar year a tax
22 for the school bus replacement fund in accordance with the school bus
23 acquisition plan adopted under section 3.1 of this chapter.

24 ~~(d)~~ **(f)** The tax rate and levy for each fund shall be established as a
25 part of the annual budget for the calendar year in accord with
26 IC 6-1.1-17.".

27 Page 13, between lines 2 and 3, begin a new paragraph and insert:

28 "SECTION 12. IC 20-5-4-1.7 IS REPEALED [EFFECTIVE
29 JANUARY 1, 2007].

30 SECTION 13. P.L.10-2003, SECTION 3, IS REPEALED
31 [EFFECTIVE JULY 1, 2004].

32 SECTION 14. IC 21-4-20 IS REPEALED [EFFECTIVE UPON
33 PASSAGE].".

34 Page 14, between lines 17 and 18, begin a new paragraph and insert:

35 "SECTION 18. [EFFECTIVE JULY 1, 2004] **(a) After December**
36 **31, 2004, a school corporation may not issue bonds under**

1 IC 20-5-4-1.7, as amended by this act, unless the school
 2 corporation submits a proposal described in IC 20-5-4-1.7(d)(2), as
 3 amended by this act, to the department of local government
 4 finance before January 1, 2005.

5 (b) This SECTION expires January 1, 2007.

6 SECTION 19. [EFFECTIVE UPON PASSAGE] (a) IC 6-1.1-19-13,
 7 as added by this act, applies only to appeals filed to impose an
 8 additional levy for a year after December 31, 2004.

9 (b) IC 21-2-11.5-3, as amended by this act, applies to property
 10 taxes imposed for an assessment date after February 28, 2003, and
 11 first due and payable after December 31, 2003. The amendment of
 12 IC 21-2-11.5-3 by this act does not authorize a school corporation
 13 to impose a tax rate or tax levy in 2004 for a transportation fund
 14 that exceeds the tax rate, tax levy, or budget originally fixed by
 15 the school corporation for the year.

16 SECTION 20. [EFFECTIVE UPON PASSAGE] (a) This SECTION
 17 applies to a school corporation:

18 (1) that for property taxes first due and payable in 2004
 19 qualified for emergency financial relief described in
 20 IC 6-1.1-19-4.7; and

21 (2) for which data available to the school corporation before
 22 the deadline in 2003 for filing an appeal for the emergency
 23 financial relief referred to in subdivision (1) was insufficient
 24 to determine whether the school corporation qualified for
 25 emergency financial relief under the appeal.

26 (b) A school corporation may:

27 (1) before December 31, 2004, appeal for emergency financial
 28 relief described in IC 6-1.1-19-4.7 for property taxes first due
 29 and payable in 2005 based on a shortfall that occurred with
 30 respect to property taxes first due and payable in 2003; and

31 (2) issue warrants under IC 20-5-4-8, as amended by this act,
 32 in anticipation of the receipt of property taxes first due and
 33 payable in 2005 imposed as the result of the approval of
 34 emergency financial relief by the department of local
 35 government finance under the appeal referred to in

- 1 **subdivision (1).**
- 2 **(c) This SECTION expires January 1, 2006."**
- 3 Renumber all SECTIONS consecutively.
 (Reference is to SB 257 as printed January 21, 2004.)

and when so amended that said bill do pass.

Representative Crawford